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A

BRIEF SKETCH

OF

COLORADO TERRITORY

AND THE

GOLD MINES OF THAT REGION.

7867.42

By J. WETHERBEE, Jr.,
TREASURER OF THE EXCELSIOR MINING CO. OF COLORADO.

BOSTON:
WRIGHT & POTTER, PRINTERS, 4 SPRING LANE.
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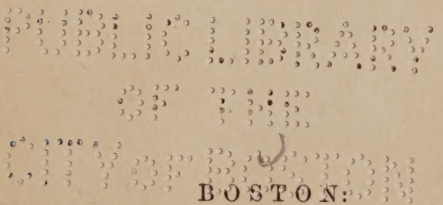

BOSTON:
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OFFICERS

OF THE

EXCELSIOR MINING CO. OF COLORADO.

PRESIDENT.

OZIAS MILLETT.

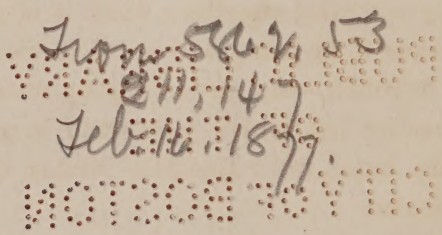
TREASURER AND CLERK.

J. WETHERBEE, JR.

DIRECTORS.

OZIAS MILLETT.	A. B. CROSBY.
HIRAM CURTIS.	JEROME THOMAS.
D. P. WEST.	GIDDINGS LANE.

JOHN WETHERBEE, JR.



INTRODUCTION.

THE yield of gold in Colorado Territory for the past year or two has been of such magnitude, that public attention is awakened in a measure to the subject, and the quick-scented portion of profit seekers are beginning to feel moved and ask questions as to the chances, in this new field for speculation or investment;—to meet and perhaps stimulate that attention, the writer proposes to offer in a short treatise which is herewith submitted, a brief sketch of the territory referred to, explaining the grounds for this attention, its value as a field in which to employ capital, and if not too presuming, the how to do it.

Having paid considerable attention to the subject, and investigated it with much care, he feels that he is doing or writing something which is of general interest, even if in doing so, his own in the connection is not forgotten,—and he calls your attention both to the matter first written, "Colorado in general," and to the latter, the "Excelsior Mining Company," in particular.

It is proper to say here in way of apology, that he has been applied to by parties, some desiring to go,

and many desiring to know of this Eldorado, by letter and otherwise, involving much time and labor, and he writes this as a reply to such applications, they being more numerous than one differently situated would suppose. He does not offer this as a history or even a tolerable description of this young and flourishing Territory, but only briefly and familiarly, but cautiously and truthfully, to offer a few such thoughts or facts as will meet the object he has in view.

COLORADO IN GENERAL.

Under this head there is so much to say, to do justice to the subject, and of interest, bearing upon the main object of this treatise, that the difficulty is in the selection of the matter or points that will convey the writer's thoughts, and at the same time be embodied in the brief form contemplated to insure attention, and yet convey the information. Perhaps it may seem absurd, yet hardly out of place to say, or refer to in commencing, what the present generation has seen, at least the older portion, viz., the unprecedented increase and spread of population here, our kind, which we like to call, and properly so perhaps, the foremost race, and together with its progress in that direction, the accumulation of wealth and increase of material prosperity; proved by statistics and visible without. Some living to-day can take a retrospective view of things, and see portions of this country that, within their remembrance, was entirely beyond the confines of civilization, perfect wilderness, as little known almost as the North pole, and now forming populous States, that weigh down in population if not in influence, (if the paradox be allowed,) *old* New

England; perhaps some favored spot like one that suggests itself on the banks of the Ohio, the Indians' home, and a backwoodsman's hut or two, all else wild native forest and to-day, and the time seems but as yesterday, and behold, the queen city of the West stands on the spot, and the ever quickly widening circles of human movement continue carrying farther and farther off the "low-water" mark of pioneer life, and repeating at every semi-decade the same story, at least in degree, Cincinnati over again,—and what was border land becomes as if by magic "centre of civilization," and in this way we find ourselves logically, or properly speaking, naturally at the base of the Rocky Mountains, a thousand miles west of St. Louis, on what was put down on the charts of twenty years ago as "unexplored regions," and now the Territory of Colorado, with its broad prairies, its mountains rich in mineral wealth—its streams, its table lands or high plains, its parks,—north, south and middle,—with areas that could hold the State of Rhode Island and not damage the embankments or mountain slopes that heave up on all sides, made picturesque and beautiful by the mountain streams and clear creeks that are seen and then lost to view, and giving their contributions to the larger volumes of water that drain the great basins of the Rio Colorado and Del Norte, and help to make fertile the flat, dry, but yet to be pro-

ductive lands of the Upper Platt and head waters of the Arkansas Rivers.

When one speaks of spread of population and the consequent improvements in this connection, he is bound to note also the correlative extensions developed on the same principle, so that practically to-day St. Louis is as near as Hartford was, and Kansas is as intimate as New York,—and those who seldom lift their eyes from their ledgers, or carry their counting-rooms in their heads—and their name is legion here —not having noted these correllations keeping pace with the extensions, might suppose that Colorado, the subject before us, was some far of, uncomeatable and uninhabitable region; and the object of this tract is to help remove any such misconceptions, as well as to throw light upon matters of more special interest, and this is the writer's apology for the poetry, if it comes under that head, that heralds in the prose that is to follow.

What is now known as Colorado, once a portion of Kansas Territory, was born into popular consciousness under the name of Pike's Peak—which being the name of a prominent elevation on a spur of the Rocky Mountain range, reaching farther east than any other portion of that great chain, gave the popular name to this region, which when the eastern and larger portion was admitted as the State of Kansas in 1858, was the part left out in the cold, not it seems, to stay out, as

will be seen by the tendencies suggested in what will follow. This western part of Kansas Territory and a portion of the eastern part of Utah, and a few miles of Nebraska on the north and of New Mexico on the south, making it form nearly a square, constitute now the Territory of Colorado. It lies between 37° and 41° North latitude, and 102° and 109° longitude West from Greenwich, and contains about 110,000 square miles. Its area is a trifle larger than Ohio and Illinois together, and about the size of the New England States plus New York.

The Rocky Mountain Range runs through the centre of the Territory, from north to south, with occasional spurs pointing east, and more generally to the west. Two-fifths of the Territory, the Eastern portion, is a slope almost level, hardly an elevation or a depression, covered, for the most part, with a coarse grass, which dies early from dryness; near the streams, which are numerous, the soil shows more fertility, and is capable of producing the necessaries in profusion and variety; nearer the mountains, and in the ranches where the streams are abundant, flowing or supplied from the snow on their summits, the soil is rich, chiefly used for grazing purposes. The high price of vegetables and cereals, needed by the mining population, has called attention to agriculture, and a year or two has developed many farms of considerable extent, and the product is so abundant that potatoes,

and other vegetables and grain, and in this connection we might add, beef, are furnished at prices lower than is current for the same in the East. The whole region is remarkably healthy. On the mountains the rarification of the air is perceptible to new comers, but quickly accommodates, and the perception disappears. The climate is admirable for those consumptively inclined. Its latitude is the same as Virginia, but is somewhat cooler. The winters are mild, and cattle turned loose to provide for themselves, find ample nourishment in the grass and stubble that early dies and dries, and are in good condition for labor or food in the spring.

The eastern boundary is about 450 miles from St. Josephs, the present railroad terminus, and is about one-fifth of the distance from thence to San Francisco, not far from the geographical centre of the territory of the United States, which is in the State of Kansas. Its population, in 1855, when Kansas Territory had 8,500, might be set down as 0, and not mislead. In 1857, Kansas, including Colorado, had 21,000; in 1858, when Kansas was admitted, the population of the State was estimated at 46,000. In 1860, Colorado Territory alone had 34,277; and the population at this time is supposed to have doubled, or 50 per cent. more than Kansas had when it became a State.

Notwithstanding its agricultural prospects, its attraction and its value at the present time rest on its min-

eral wealth, which, in some respects, finds no parallel in the world; irrespective of the gold interest, which is the banner that hangs upon the outer walls, and which will receive hereinafter some special attention, the other mineral products of the Territory are worthy of attention. An intelligent resident there says, an examination of the plains east of the mountains, shows that a large portion of them, if not their entire extent, is underlaid by strata of coal, which is found cropping out in a hundred places, and below the coal strata is one of soft argillaceous shale, destined to yield an inexhaustible supply of oil. Many places are found rich in silver, lead, copper and antimony, iron also in great abundance; some of the mines now worked for gold, would pay well as copper mines but for the expense of transportation, but the time will come when all the resources of the soil will be availed of.

The prospecting of the Territory, as yet, has hardly commenced; the success of the past two years, with the appliances which science and experience have brought into requisition, has been the result of but the partial prospecting of a very small portion of the Territory; Clear Creek and Gilpin Counties, where lie the Gregory, Gold Dust and Phœnix districts,—that are now fields of activity and enterprise which together form the present centre of gold operations,—but prospecting is extending and Park and other

counties are receiving some attention, and mills are working profitably in many new places; but still, in their aggregate extent they form but a small part of the whole; not more than Norfolk County does to the State of Massachusetts. Brief and disconnected as these suggestions or notes are, the requirement of this tract and its object forces me to come at once to the item of all items, viz., the

GOLD OPERATIONS,

which form the staple that gives the Territory a name among us.

It will be generally remembered, there was a rush for the gold diggings in the years 1857 and 1858, known as the Pike's Peak movement, to which reference has been made, and many have their ideas of Colorado associated with that movement, which being a source of disappointment to many, and the cry of "humbug" having a tolerable foundation, it will be a point here to explain that, and set the matter in its true light.

With few exceptions, this country is not claimed to be rich in alluvial deposits of gold, and hence the disappointment of a great majority who emigrated there in 1857–8–9, and returning worse off than they went, except the experience, raised the cry of humbug; but even here it may be remarked in passing, that many of the gulch and placer mines, aban-

doned by the above class, have, since the working of them has been reduced to a system, been paying from $5, to as high as $80, per day, to the hand; nevertheless experience has taught, that here, as well as in California and elsewhere, the fountain head for gold is in the quartz veins, all other classes of diggings with their sparkling nuggets, are but the washings, during long periods, from these parent sources, which blossom out in so rich profusion in all parts of this gold-producing region. There is a fascination in prospecting and working in the gulches, and though the many may be disappointed, and get hardly living wages out of hard toil, the fact, that now and then a nugget gladdens the eye of some lucky individual, stimulating the hope in others, people will work longer against discouragement in this than in any other department. Like a lottery, the prizes attract, but the blanks carry the day; it is said that the crop of fools is always larger than the crop of wise men; true, but over their bones is the road to success. They were useful, for without their failures and the experience gained thereby, the *banks* in those mountain regions might not now be paying specie as they do. The road to success is made now, and aftercomers will find it smooth—using the language of another, which shadows an application here:—

"I do not think very respectfully of the designs or the doings of the people who went to California in 1849. It

was a rush and a scramble of needy adventurers, and in the West a general jail delivery of all the rowdies of the rivers. Some of them went for honest purposes, some with very bad ones, and all of them with the very commonplace wish to find a short road to wealth. But nature watches over all, and turns this malfeasance to good. California gets peopled and subdued, and civilized,—and on this fiction a real prosperity is rooted and grown."

It would be interesting to philosophize, but that is not the object; but the fact is prominent that a poor and dissatisfied class first move; the prudent wait for results—the people of credit and means are never the adventurers. Now these matters are better understood and systematized, and with means and ordinary judgment there can be no failure. A *careful* writer makes this statement: "Not a single lode which has been thoroughly prospected has ever proved a failure; this is an extraordinary but well known fact," and the writer of this tract believes it, but would qualify it by adding, if the party had the capital to put it through, for there have been many failures, and now, many of the best paying mills are working on those once abandoned claims. The same writer quoted says further: "Men of limited means should not take hold of the matter single handed. Lode mining can only be made to yield a sure return in any country, by concentrated capital." Thus it is not of much use to go there expecting certain success without some capital; true, many such have got rich, and very

many may do well, and by accident or qualifications some may get associated, and as it were be in the line of promotion; and doubtless the same skill and labor which would be successful here, would be more so there; but the object here is not to expatiate on probabilities, but present what may be called the certainties, which by the experience now of hundreds, is easily attainable. And speaking in particular at this time to capital, the point of the greatest moment is the best way to insure the greatest gain to the individual, to pay for his risk, and to the Territory, by developing its resources and increasing its population, and to the country at large, by addition to the common stock of wealth. And on this point, thanks to the bones of the martyrs, we can talk with certainty. We have had our Pike's Peak rush and the experience it has taught us; we have seen the experiment of crushing, with greater or lesser success, mixed up with many disappointments; and starting from one or two attempts to a dozen, and gradually increase till at this time writing, after an experience of some two or three years, reach to several hundred, probably over a thousand stamping mills in successful operation, and from their aggregate results a few million first, then six or eight, and last year a product of twelve to fifteen million dollars, and constantly increasing. When the yield began to assume such magnitude, movements were made to establish a branch

mint there, and it is now established in Denver City, the capital of the Territory; and the statistics of these regions, accessible to all, are of such a character as to preclude all doubt as to the facts, and to the permanency and increase of the present encouraging state of things.

Constant improvements are being made in the manner of obtaining the gold from the ore; and rich as the mills now pay on the average, more is lost than is saved. A new plan has been introduced with much success, and is now profitably worked by many of the large operators; that is, the desulphurizing apparatus,* increasing the yield three fold and sometimes more. It is calculated that the tailings of past amalgamations will pay to wash over by this process. The apparatus is expensive, and adds fifty per cent. to the cost per cord, but the yield is so much increased that it will grow into general use.

In undertaking this business, it is safe to say of any lode, if the vein barely pays at the blossom, it will pay better as you descend; that fact is well understood both theoretically and practically. If it pays a certain rate at a depth of 40 feet, it will pay pro rata at a depth of 140. The only drawback is the liability to be capped, (a term in common use in mining dis-

* This apparatus is a sort of kiln or heating process, to pass off the sulphur which abounds in the ore which attracts the gold, and does not amalgamate with the quicksilver.

tricts,) where the vein narrows to a seam merely, and then the labor of working down the seam till it opens again—that is time, labor and expense, all dead loss, but it is always sure to open; the depth of the cap is not so easily estimated, it may be longer or shorter, but it is sure to open again, and the richer for it, if your courage holds, or rather your funds; and many were the discouragements and abandonments before the principle was understood, and hence the need of capital to meet such a contingency, even after the first outlay for mill and stamps and equipments. Many of the larger and successful enterprises work upon three or four or more lodes, so some may be paying while another is in cap.

The importance of combinations to produce results is growing in favor, and several new undertakings in the form of corporations are being started and employing ample capital, easily obtained in the East, for the development of natural resources, when a good return is reasonably expected. And certainly there is no field that presents so favorably as this, and if managed by men of judgment and integrity, with capital to work with, the result is sure, and people can in this way be holders of shares, and at low cost, that will pay such dividends on the amount invested, as can be obtained in no other direction.

These undertakings under this new form, cannot fail of being popular and profitable if judiciously

managed. Of one with which the writer is connected, the "Excelsior," based not on a few lodes, but a district containing many and some of the best, as shown by faithful prospecting, he can speak positively. Believing also that the others will be richly paying concerns, and will be initiatory of many more that will rise up on the prosperity of these of '63, and will tell largely in the future grand results before referred to; justifying the remark which we quote from the close of a letter from one of the most intelligent and successful residents of the Territory, and with it close this part of the subject.

"California and Australian miners with whom I have conversed agree that the lode mines of Colorado are far richer than any they have seen in either of the former countries, and the yield of gold from this section must in time astonish the world; and the demonstrations, from the enormous yield, amounting to millions annually from a single district, the Gregory, which is a matter of fact and patent to any who will investigate the matter, makes, in my judgment, the statement a prudent one, and be assured a few years will prove it beyond controversy, that there is no portion of the United States that contain so much of mineral wealth as the Territory of Colorado."

EXCELSIOR MINING COMPANY, OF COLORADO.

What may be added under this head, though of special interest to those who are and who may become interested as stockholders, will aid in understanding the foregoing, and is in fact a natural outgrowth of "Colorado in general;" and the object of the writer, as stated in the introduction, would not be attained without this added as a sequel; though introducing a marketable subject, the object is not to press the sale of it, it having already received so much favor without any public effort, that the undertaking is assured, and though a very limited number of shares can be had at about the original price, the disposing of them is a matter of indifference, distribution and consequent popularity being of more consequence in this connection than the receipt of money. The originators expecting it to beget children, not in dividends alone, but offshoots from the roots or parent stock, in the form of new companies, tributary to this one; there being ample bases for several on this Company's property and sanguine of success here, and through its prestige what may follow after the demonstrated success of this.

In prospecting for this enterprise, the movers were aware that gold mining had not been profitable heretofore to speculators in shares, though often wonderfully so to individual enterprise;—that many large owners of gold regions, J. C. Fremont for instance, had not received remuneration from operations for mutual benefit,—not that gold working was unprofitable, but human nature weak, at least the human nature that embarked in the business to share with distant or absent parties; and they questioned whether an organization could be made profitable to shareholders here unless with the equipments sent out, the body politic of operatives and managers on the spot were sent out also, and picked from our own community for the purpose, and they are fortunate in being able to say that they feel sure of their men in reference to judgment, frugality and integrity.

It is not necessary here to go into any lengthy details, which took many months to consummate and would take many pages to communicate, but simply to remark that this Company owns the Phœnix district almost entire, of over a hundred of good lodes, and several first-rate water or mill privileges. It may be well to mention here, that titles go in this section by lode claims, and not by acres and feet, a lode claim being one hundred feet of vein in its length, irrespective of width, obtained and secured by discovery and record, or by purchase from those who discover and

enter;—a district is a conventional designation, has no particular reference to town or county lines, nor do they indicate any particular amount of area; they may contain twenty or thirty square miles, or but five or ten. Our Phœnix district lies in Gilpin County, on Boulder Creek, about ten miles from Central City, a town of some three or four thousand inhabitants, and is to be the metropolis of the Mountains, and is quite a centre of business already. The lodes in this district owned by this Company prospect very rich; there are six shafts sunk in different places, and thorough tests have been made from the blossom or top to a depth of forty-five feet, by our own and every way competent men; at the depth of forty-five feet the quality is better than the average on the Gregory, and equal to the best at the same depth, and similar in characteristics, and inexhaustible.

The Excelsior Company is organized here and controlled by the management in Boston. There are 30,000 shares, and the number cannot be increased, nor can they be assessed. Of these, 15,000 shares, or one-half, are a preferred stock, and 15,000 shares a common stock.

The "preferred stock" has a guaranteed dividend of $2 a share until each share receives $4, out of the first earnings of the Company. The common stock is not in the market, being owned by the original owners of the district, of whom the purchase was made, and

is to be held for its yield, and aside, it being a non-preferred stock, would not be in competition with the preferred stock, which is now being distributed. It was proposed to distribute as many of the 15,000 "preferred stock," at $5, as would amply carry the enterprise to a paying point, and 10,000 shares will be sufficient to do it. The balance, in all probability, 5,000 shares, unissued, will be the property of those who combined to institute the movement; but they by agreement are not to be issued until the Company have earned and paid a dividend to the stockholders, or in other words, until it is a demonstrated success.

It will be seen by the foregoing that there is one marked feature in this Company favorable to and in distinction from mining stocks generally, irrespective of its unassessable character; viz., the limited amount of shares to be upon the market, while almost all other mining companies the shares are from 20,000 to 200,000, and the larger part, being an anticipated profit and held at no cost, and thereby hindering any rise, being a constant supply to any demand—this Company have no shares issued, but what cost the holder actual money, and the whole number at that is within 10,000 shares, until it is productive; when the demand will admit of a distribution at 500 per cent. advance, certainly if the lowest estimate of the future prospect of the Company is half realized.

It may interest some to know what that estimate is, and very prudently made; it is thus: Calculating at the maximum in all the costs, and the minimum in all the yields, it is considered safe to say, or calculate upon a dividend of one dollar a share every ninety days, or four dollars a year, with a few months allowed, say till August or September, to get all the arrangements ready and well to work which are now in progress. In making this statement the writer feels safe in saying, that a fairer presentation might be made, say five times as favorable, and still be within the bounds of prudence.

Added to this for the benefit of whom it may concern, and to which the reader is referred, is a list of the Officers of the Company, and also a copy of its By-Laws.

BY-LAWS.

1. The capital stock of the Excelsior Mining Company, of Colorado, shall be fixed at $300,000, and divided into 30,000 shares, the par value of which shall be $10.

2. The officers of the Excelsior Mining Company shall be seven Directors, one of whom shall be the President of the Company. The other officers shall be a Treasurer and a Clerk. Both of the last named offices may be filled by the same person if the Directors think it best.

3. The government of the Company, and the management and regulation of its property and affairs, shall be exercised and possessed by the President and Directors, who shall have full power and authority, at any lawful meeting of the board, to do in behalf of the Company whatsoever the stockholders might do at any regular meeting: *Provided*, that no amendment of the By-Laws shall be made by the Directors; and further, the officers of the Company shall incur no debts or liabilities beyond the actual cash assets on hand, and shall lay no assessments.

4. Seven Directors, a Treasurer and a Clerk, shall be chosen annually, by the stockholders, by ballot. The annual meeting shall be held at the office of the Company, where the Directors may elect, in the month of February. The said officers shall hold their offices for one year, and until others are chosen and qualified in their stead; the Directors shall be stockholders, and a man ceasing to be a stockholder shall cease to be a Director. They shall choose one of their number President. Four or more Directors shall constitute a quorum for business, and they shall have the power to fill any vacancies that may occur in the board.

5. It shall be the duty of the Treasurer to keep an account of all issues of stock; also to keep all moneys, notes, deeds, and other property or securities, or valuable papers of the Company; to collect all dues, and make all such disbursements as the Directors shall order, and to keep

accurate accounts of all payments, receipts, and all property of the Company, and open to inspection of the Directors, and obey all lawful orders of the Directors respecting such property and accounts.

6. The certificates of shares shall be in the form following: "Be it known that proprietor of shares in the Excelsior Mining Company, of Colorado, subject to the By-Laws, transferable only on the books of the Company, in person or by assignment, upon the surrender of this certificate. In witness whereof, the President and Treasurer hereunto affix their signatures, in the city of Boston, this day of , 18 .

7. The transfer of shares shall be made by the proprietor thereof, by an instrument in writing, or by power of attorney, and attached to the certificate shall be the following, to facilitate such transfer: "For value received, hereby transfer and assign to shares of the Excelsior Mining Company, of Colorado.
Dated at , day of , 186 .

8. An annual meeting of the stockholders, for choice of officers, and other business, shall be holden in the month of February, at such place and hour as the Directors shall appoint, and special meetings of the stockholders shall be called whenever requested by any two Directors, or any stockholder or stockholders representing not less than one-fourth of the capital stock, and any five or more stockholders present, representing not less than two-fifths of the capital stock, shall constitute a quorum for business. Each share of stock shall entitle the owner thereof to one vote, subject, however, to provisions of section 7, of chapter 60, of the General Statutes of Massachusetts.

9. The Directors shall appoint such sub-officers as may be required to attend to the business of the Company in the Territory; they shall fix the rate and mode of compensation of all the agents, servants and officers of the Company, and delegate to them respectively such authority over the property and affairs of the Company as they shall think desirable.

10. No alteration shall be made in the By-Laws except at an annual meeting of the stockholders, or at a meeting specially called for that purpose, and by a vote in which a majority of all the shares shall concur.